

Sustainable Problems with our Economic Structure

Brooke Van Baush

Matrix 1 – Economic Inequality



There is a lot of argument for and against economic inequality. While this aspect of the United States is thought to be the reason of our success through having a free market, it is also a large sustainable issue. As the range between the top and bottom levels of income grows, it becomes harder and harder for the middle and lower class to provide for themselves. It is this economic inequality that leads to poverty, starvation, and inability to sustain a healthy standard of living.

The argument over whether economic inequality is centered on how America is structured. The capitalistic economy and free market provide freedom to Americans which allows them to strive towards their independent goals. I stated by Evan Buck in "Five Reasons Why Income Inequality is Not a Problem", no one has ever died of inequality, rather, they die from poverty or starvation. While this fact might be true, only a few factors can actually lead to poverty, the main one being economic inequality. Since the Great Recession of 2007-2009, the United States economy has become increasingly unequal. The top incomes grew 1.2% while the bottom incomes fell by .4% (Boushey). Because of this shift in numbers and the lack of growth in incomes for the middle class, families were forced into working and

borrowing more, leading to a life where the people are trying to make ends meet on a daily basis. In order to fight poverty and climate change, economic inequality needs to be focused on as a key factor (Shaheen). This problem is one of the main factors in problems with health, social cohesion, economic growth, education, and crime. These effects can even be found globally as a result to undeveloped countries falling even further behind. A quote from an IMF economists Andrew Berg find that "The more equal the country, the longer it was able to sustain economic growth" (Boushey). Not only does there need to be more of a focus across the country in respect to economic inequality but also globally. Unfortunately, based on the ending 2015 list of potential Sustainable Development Goals posted for the UN's Millennium Development goals, the goal of reducing economic inequality has been excluded (Shaheen). This shows that the main decision makers, nationally and globally, are unaware or refuse to accept the true detriments that economic inequality pose for the public's health. But as Evan Buck says, by solving other main problems such as poverty and hunger, economic inequality will be solved congruently. Currently, the economy is only beneficial to the 1% of high income residents, while it ignores the 99% of middle class. This will not lead to a sustainable economy as we move closer to a recession rather than progressing forward.

Links

- <http://im2moro.org/home-content/five-reasons-why-income-inequality-is-not-a-problem>
- <http://www.neweconomics.org/publications/entry/reducing-economic-inequality-as-a-sustainable-development-goal>
- <http://www.americanprogress.org/issues/economy/news/2011/12/06/10792/economic-inequality-is-not-sustainable/>

Bibliography and Annotations

Buck, Evan. "Five Reasons Why Income Inequality Is Not a Problem." *Im2moro*. N.p., 28 July 2014. Web. 22 Oct. 2014.

- Evan Buck is a blogger for im2moro, frequently writing on the topic of economics.
- The primary argument of this text is how economic inequality is not an actual problem and that it is not economic inequality that has caused deaths or other global issues.
- This article makes this argument in several ways. This first of which, he states and emphasizes how no one has ever died of inequality - people dies from disease, starvation, poverty, and other similar factors. Second he points out the difference between equal opportunity and equal outcome. It is the fact that we follow a structure of equal opportunity that our country is one of the most successful and wealthy in the world. He then makes arguments for free markets, stating that it is by this strategy that people are lifted out of poverty the most.
- I don't believe inequality should be the focus of discussion. Rather, alleviating poverty and assisting the poor through private measures needs to be the focus
- income inequality is not a major problem and should not be used as a justification for squelching peoples' freedoms in a free market system
- Rather than shortsightedly crucifying the rich and seeking to divide up the economic pie, we should recognize that economics is not a zero-sum game and focus on making that pie even larger for everyone to partake in

- This text shows the other side of economic inequality and how many do not think it is actually a problem at all. This helps to understand the argument for and against this sustainable problem.
- No one has died from economic inequality. Solving the real problems, poverty and hunger, will result in a solved economic inequality as well.

Shaheen, Faiza. "Reducing Economic Inequality as a Sustainable Development Goal." *NEF*. N.p., 1 July 2014. Web. 22 Oct. 2014.

- Faiza Shaheen formerly worked for NEF as a Senior Researcher in the Valuing What Matters team. She has also researched spatial patterns of inequality and positions in the National Children's Bureau as well as Save the Children.
- The main argument of this article is that economic inequality is a very much overlooked problem in sustainability as it isn't even a Sustainable Development Goal of 2015, yet this problem contributes to a large sum of other major problems such as health, social cohesion, economic growth, education, and crime. By tackling economic equality, many other problems such as poverty and climate change could be affected as well.
- The article addresses the overall problem of economic inequality and suggests ways in which we could and should address this problem. It then moves into strategies of measuring the progress of economic inequality decrease and how that can become a true goal with an end in sight. Finally, the article speaks to the decision makers including the UN Secretary General's support team, urging them to implement some type of points-scoring process as a way of measuring and enforcing final goals.
- Tackling economic inequality is not a by-product of fighting poverty and climate change – it is a key ingredient.
- Expert consensus couldn't be clearer on the corrosive effect of economic inequality on health, social cohesion, economic growth, education and crime.
- The self-perpetuating nature of economic inequality means that the longer we ignore it, the harder it will be to reverse.
- This text helps to show the false sense of security that society has with economic inequality. It proves that not only is this a sustainable problem, but it is a problem that is lacking a level of focus that would benefit economic and social wellbeing, globally.
- Fighting economic inequality is a key ingredient in fighting poverty and climate change – not a by-product. A goal of reducing economic inequality has been excluded from the final list of potential Sustainable Development Goals for the UN's Millennium Development goals ending in 2015.

Boushey, Heather. "Economic Inequality Is Not Sustainable." *Center for American Progress*. N.p., 6 Dec. 2011. Web. 22 Oct. 2014.

- Heather Boushey is Senior Economist at the Center for American Progress with an expertise in budget and fiscal policy, demographics and census, economics, employment, labor, poverty, welfare, women and work.
- The main argument of this text is that the largest portion of Americans, Middle class, is largely under looked in producing an environment to accommodate the majority. Currently, the upper-class are the only group who are gaining an advantage from our economic structure.
- The text layouts the argument in three ways, starting with fact based statistics showing the level of incomes and the range between the different classes and how they are shifting in a way which only exaggerates this inequality. Heather then attacks the fact that most people believe that the inequality will begin to trickle down and how this has not happened in the past and will most likely never occur. She ends the article with an optimistic belief that our nation, one of the

wealthiest on the planet, has the ability and resources to fix the economy so long as the political will is there to help.

- Long before the Great Recession of 2007-2009, the old rules of the game—where if you work hard and play by the rules, you can earn a decent life—had begun to fall by the wayside
- Inequality isn't just bad for the 99 percent who've been left behind; it is actually responsible for some of the biggest problems facing Americans today—high home foreclosures, high unemployment, and an inability to get ahead. It's critical that we reverse it.
- The United States remains one of the wealthiest nations on the planet. The notion that we cannot afford to fix our economy is, quite simply, rubbish. We can if we have the political will.
- The text makes arguments that prove that no changes are in the process of being made on a national or international scale, yet, the problem of environmental inequality is a major problem in itself that also contributes to an array of other large scale problems as well.
- The US economy have become increasingly unequal as the top incomes have grown 1.2% and the bottom incomes have fallen by .4%. IMF Andrew Berg states, "The more equal the country, the longer it was able to sustain economic growth."